

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF TENNESSEE  
WESTERN DIVISION

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DANIEL LOVELACE AND HELEN  
LOVELACE

Plaintiffs,

vs.

PEDIATRIC ANESTHESIOLOGISTS, P.A.;  
DR. BABU RAO PAIDIPALLI &  
DR. MARK P. CLEMONS

Defendants.

Case No. 2:13-CV-02289 dkv

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**METHODIST HEALTHCARE – MEMPHIS HOSPITALS' REPLY IN SUPPORT OF  
ITS OBJECTIONS TO MAGISTRATE'S ORDER REGARDING MOTION TO QUASH  
DEFENDANTS' SUBPOENA AND MOTION FOR PROTECTIVE ORDER**

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COMES NOW non-party Witness Methodist Healthcare – Memphis Hospitals (“Methodist” or “Witness”), by and through undersigned counsel, and files this Reply in Support of its Objections to the Magistrate's Order Regarding Motion to Quash or Modify the Defendants' Subpoena and Motion for Protective Order. In further support of its Motion, Methodist states as follows:

The issue to be determined is whether or not Methodist should be required to produce the Settlement Agreement entered into between Methodist and Plaintiffs prior to the filing of the instant litigation. In response to Defendants Pediatric Anesthesiologists, P.A. and Dr. Babu Rao Paidipalli's subpoena to Methodist, Methodist requested the Court to quash the subpoena and enter a protective order. (D.E. 33). As to the Settlement Agreement, Methodist contends that a heightened standard of relevancy should be applied to determine whether or not the confidential Settlement Agreement is discoverable. (*See* D.E. 46). Furthermore, Defendants seek the

unnecessary production of confidential information; the information relevant to the claims and defenses in this case can be obtained from other sources or without the disclosure of confidential information.

Defendants have set forth two reasons they contend the Settlement Agreement between Plaintiffs and Methodist is relevant to the claims and defenses in this case. First, they claim that the Settlement Agreement is relevant to the issue of damages. Second, Defendants now contend that production of the Settlement Agreement is necessary to determine whether claims against the Defendants were released in the Settlement Agreement.

The issues regarding relevance for damages purposes has been briefed by Methodist in its Objections to the Magistrate's Order (D.E. 46). Methodist maintains that the information sought as to write-offs is contained in the billing records, which have been produced by Methodist in response to Defendants' subpoena. Methodist further maintains that because the Settlement Agreement contains no categorization of damages, there is no basis beyond speculation for the information sought by Defendants.

As to the contention that the Settlement Agreement between Plaintiffs and Methodist must be produced to determine whether the Defendants were released by the terms of the agreement, counsel for Methodist has represented to counsel for Defendants that the Defendants were not released. Counsel further offered to produce a redacted copy of the Settlement Agreement in order to confirm that the Defendants were not released, and Defendants rejected this offer.

Methodist respectfully suggests that an *in camera* review by the Court will confirm that the Settlement Agreement sets forth no allocation or designation of the funds and that the

Defendants to this action are not released by the terms of the agreement between Plaintiffs and Methodist.

**CONCLUSION**

For the reasons set forth herein and in its Objections to the Magistrate's Order Regarding Motion to Quash or Modify the Defendants' Subpoena and Motion for Protective, Non-Party Witness Methodist Healthcare - Memphis Hospitals respectfully requests the Court to reconsider the Magistrate's Order (D.E. 43) regarding Witness's Motion to Quash.

Respectfully submitted,

s/ Craig C. Conley

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**CERTIFICATE OF SERVICE**

I hereby certify that on this the 10th day of December, 2013, a copy of the foregoing document was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. All other parties will be served by regular U.S. Mail. Parties may access this filing through the Court's electronic filing system.

s/ Craig C. Conley  
Craig C. Conley